

3/7/77 [2]

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THE WHITE HOUSE
WASHINGTON

March 7, 1977

Hugh Carter -

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Bob Lipshutz
Richard Harden
Greg Schneiders

Re: Mail Situation

THE WHITE HOUSE
WASHINGTON

ACTION	FYI	
		MONDALE
		COSTANZA
	X	EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON

- ☐ FOR STAFFING
- ☐ FOR INFORMATION
- ☐ TO PRESIDENT
TODAY

ACTION	FYI	
		ARAGON
		BOURNE
		BRZEZINSKI
		BUTLER
		H. CARTER
		CLOUGH
		FALLOWS
		HARDEN
		HOYT
		KRAFT
		B. MITCHELL
		B. RAINWATER
		SCHLESINGER
		SCHNEIDERS
		SIEGEL
		T. SMITH
		WELLS
		VOORDE

~~CONFIDENTIAL~~

THE WHITE HOUSE
WASHINGTON

From:

3-7-77

Hugh B Carey

Concorde: vote 3/10

will be "down" if taken -

Meeting today - may
delay until April -
get more info - Even
longer delay possible
in the future -

J

DECLASSIFIED TO BE AN ADMINISTRATIVE MARKING
CANCELLED PER E.O. 12958, SEC. 1.3 AND
ARCHIVIST'S MEMO OF MARCH 16, 1993

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THE WHITE HOUSE
WASHINGTON

~~CONFIDENTIAL~~

3/7/77

Stu Eizenstat

The attached was returned in the
President's outbox. It is forwarded
to you for your Confidential information.

Rick Hutcheson

Re: Hugh Carey & Concorde

"DETERMINED TO BE AN ADMINISTRATIVE MARKING
CANCELLED PER E.O. 12356, SEC. 1.3 AND
ARCHIVIST'S MEMO OF MARCH 16, 1983"

THE WHITE HOUSE
WASHINGTON

rick/bill --

attached is for
file

-- SSC

THE WHITE HOUSE
WASHINGTON

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
	X	LIPSHUTZ
		MOORE
		POWELL
		WATSON

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		B. RAINWATER
		SCHLESINGER
	X	SCHNEIDERS
		SIEGEL
		T. SMITH
		WELLS
		VOORDE

THE WHITE HOUSE
WASHINGTON

cc. H. H. H.

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
	X	JORDAN
		LIPSHUTZ
	X	MOORE
		POWELL
		WATSON

- ☐ FOR STAFFING
- ☐ FOR INFORMATION
- ☐ TO PRESIDENT
TODAY

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		SCHLESINGER
		SCHNEIDERS
		SIEGEL
		T. SMITH
		WELLS
		VOORDE

THE PRESIDENT HAS SEEN.

INFORMATION

THE WHITE HOUSE

WASHINGTON

March 5, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: HUGH CARTER *OK*

SUBJECT: Mail Situation

*Hugh -
the volunteers &
more detailed readers
to expedite catching
up.
Continue weekly report
J*

Below are statistics on the mail situation:

<u>Incoming</u>	<u>Per Week</u>
Presidential	72,000
First Lady	5,000
Amy	1,000
Chip & Jeff	325
Miss Lillian	300

Note: This volume is more than twice what President Ford was receiving.

Backlog:

Presidential	244,600
First Lady	15,000
Amy	11,000
Chip & Jeff	none
Miss Lillian	3,000
Transition	80,000

Note:

1. This is virtually unchanged from one week ago, which is encouraging because it means we held our own during the past week. The 180,000 figure reported to you last week was the amount backlogged at the mail readers. In addition, there were some 66,000 pieces in the typing section.

2. 45,000 of the Presidential are processed and awaiting cards from the printer. Another 21,000 need envelope typing and will go out by March 9th.

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3. Fifteen detailed mail readers will be added to the 15 permanent readers to keep current with the incoming mail. Another 35 detailees are already working on the backlog and should eliminate it within 45 days. Further, we are attempting to get another 25 detailees to further speed up the operation. GSA, VA, HEW and Commerce have been especially helpful with detailees.

4. Bob Lipshutz is working on a legal determination on whether or not the White House can fund the handling of First Family mail. In the meantime, we are proceeding to work on it.

Overall Summation:

We are behind no doubt, but I feel better now about the situation than I have since we moved into the White House because:

- (1) A good reporting system has been established to keep us aware of the situation.
- (2) Backlog mail which was stored in several places is now consolidated where it can be better controlled.
- (3) Cards and robo letters have been drafted and approved. Cards are finally coming back from the printers. (We are being careful not to over use the cards.)
- (4) We finally have enough detailees to catch the backlog up.
- (5) Morale is better primarily due to the fact that people now realize we are not going to cut their jobs out, but may phase back through attrition.
- (6) Typing assistance provided to the staff from the correspondence section totaled about 2,000 man-hours in February. The requests for this assistance are going down, thus freeing more man-hours for work on the mail.
- (7) We have better control of the situation now through my assistant, Val Giannini. Daily coordination meetings with department supervisors are being held.
- (8) The reorganization recommended by Greg Schneiders is beginning to take place. In addition, other suggestions are coming up daily. I feel we will have a much better operation within three to six months.

THE WHITE HOUSE
WASHINGTON

March 7, 1977

Frank Moore

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Ham Jordan

Re: Weekly Legislative Report

THE WHITE HOUSE
WASHINGTON

Frank:

Up until now, I have passed along the congressional reports without comment on length, since you generally give him a weekly report vs. the daily reports common in past Administrations. However, armed with his comment on this week's report, I will cast a more critical eye on future submissions!

Rick

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

*Frank -
too voluminous
J*

ADMINISTRATIVE CONFIDENTIAL

March 5, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

FRANK MOORE

SUBJECT:

Weekly Legislative Report

MAJOR LEGISLATION

1. REORGANIZATION AUTHORITY

House

-- Hearings opened on March 1 with Rep. Fascell and OMB Director Lance making the case for one-House veto authority as contained in our bill, H.R. 3407. Rep. Mendel Davis (D-SC) testified in favor of Chairman Brooks' bill. An additional day of hearings has been set for March 8 with a witness list designed by Chairman Brooks to cast doubt on the constitutionality of the one-House veto. ✓

-- There will be a strategy session next week (probably Thursday) with key congressional supporters to lay plans for getting H.R. 3407 out of the Legislation & National Security Subcommittee. A reasonable timetable would be for the subcommittee to act by March 15 with full committee action possible later that week and floor consideration during the week of March 21. ✓

Senate

-- The stunning 92 to 0 vote for the one-House veto authority has helped undercut the constitutional arguments against the procedure raised in the House. ✓

ADMINISTRATIVE CONFIDENTIAL

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MAJOR LEGISLATION (Cont'd)

2. ECONOMIC STIMULUS

Senate

-- The Senate is scheduled to consider the Public Works Employment bill on Thursday. The so-called Heinz Amendment (Sen. Heinz may not actually offer it), which is opposed by the Administration and which was rejected in Committee, would change the allocation formula for the \$4 BILLION public works jobs program. The Administration prefers to allocate 65% of the funds to the states according to the number of unemployed each contains and the remaining 35% to only those states experiencing extraordinary unemployment (6.5% or higher). The Heinz Amendment would allocate all the money according to the number of unemployed persons in each state. Under the Heinz Amendment, 24 states gain additional funds, 13 are unaffected, and 13 lose funds. The vote will be very close and, in order to win, we must get all Senators representing states in the latter two categories. In the House we lost virtually every Member from an unaffected state. A list of key Senators on this vote should be available from the Commerce Department by Monday afternoon.

-- The Senate Finance Committee will begin hearings on the economic stimulus tax bill as soon as the House passes it. The Republicans on the Committee will agitate for a permanent, across-the-board tax cut. The key Senators will be Chairman Russell Long, Herman Talmadge, and Abe Ribicoff. They usually stick together and the way they go should determine the way the Committee will go.

House

-- By a vote of 226 to 173, the House passed the conference report on the Third Budget Resolution last Thursday. Following is the House status of various components of the package:

- * Tax Reductions: The House will consider the tax components Tuesday; there will be votes on three Ways and Means Committee amendments and on a Republican recommittal motion to strike the rebate and substitute a reduction on lower-bracket tax rates. Our strategy calls for acceptance of the three amendments, with an effort to restore our original jobs tax credit on the Senate side. We should defeat the recommittal motion handily.
- * Countercyclical: The HUD/Independent Agencies Subcommittee of Appropriations provided only \$250 million of our \$925 million request; full Appropriations Committee action is expected Tuesday. Prior to the full committee meeting, the Speaker will try to work out an arrangement with Budget Chairman Giaimo and HUD Appropriations Subcommittee Chairman Boland to restore the funds; the arrangement would also include Rules Committee approval of a waiver of points of

MAJOR LEGISLATION

order (on grounds of lack of authorization). The authorization request is in Rep. Fountain's Intergovernmental Relations and Human Resources Subcommittee (Government Operations), where movement will be slow. If the Speaker is successful prior to the leadership breakfast on Tuesday, he should be thanked for his efforts.

- * Economic Stimulus Appropriations: Full committee action on the \$20.8 BILLION recommended by the various appropriations subcommittees is set for Tuesday, with floor consideration Friday. The measure includes our basic requests (except countercyclical -- see above), but also includes a number of smaller items not in our original request, and \$95 million to advance the production of the third space shuttle orbiter to FY 1977 and FY 1978.

3. ENERGY REORGANIZATION

Senate

-- Sen. Ribicoff and 16 co-sponsors introduced the Energy Reorganization Bill (S.826) on March 2. Governmental Affairs Committee hearings on the bill will begin Monday, March 7, with Dr. Schlesinger and FEA Administrator O'Leary scheduled to testify. Additional hearings are scheduled for March 9, 15, 16 and 17.

House

-- Chairman Brooks introduced the Energy Reorganization Bill (H.R. 4263) March 3. In addition, Reps. Horton (ranking minority, Government Operations Committee), John Anderson (Republican Conference Chairman), and Michel (Minority Whip) have co-sponsored the bill. As of close of business Friday, Chairman Brooks had not yet set a hearing schedule for the bill.

-- Key members of the Interstate and Foreign Commerce Committee (Chairman Staggers, Reps. Moss, Dingell and Eckhardt) have indicated to White House staff that they "don't want anyone to pull a fast one" on them regarding this bill. Contending that his Committee has jurisdiction over matters contained in the Energy Reorganization Bill, Chairman Staggers has formally written Speaker O'Neill reserving his Committee's rights under the Rules of the House for consideration of the bill when it is reported by the Government Operations Committee.

4. FOREIGN ASSISTANCE

House

-- Last Tuesday the Foreign Operations Subcommittee of Appropriations chaired by Rep. Doc Long (D-Md), made deep cuts in the Administration's FY 1977 supplemental requests for

MAJOR LEGISLATION (Cont'd)

international financial institutions funding. A foreign assistance message is planned for Wednesday, with briefings of the leadership and key Members. A major effort will be required to reverse the current House drift toward deep cuts in foreign assistance.

Senate

-- The Senate Foreign Operations Subcommittee of Appropriations, chaired by Sen. Inouye, marks up the FY 1977 supplemental requests Tuesday. An effort will be made to reverse the House action; the matter might be discussed with Sen. Inouye at the leadership meeting Tuesday morning.

5. BYRD AMENDMENT REPEAL (Rhodesian Chrome)

House

-- Repeal legislation was reported from the International Relations Committee by a vote of 27 to 5; floor action has been set for Thursday. White House people will work to insure that the vote to repeal is as large as possible.

Senate

-- Repeal legislation was reported by the Foreign Relations Committee on February 22. Senate floor action should come during the week of March 14. There is a possibility of a filibuster attempt.

6. NAVY SHIPBUILDING PROGRAM

House

-- The solid majorities in support of the rescissions for funds for the CVN-71 nuclear carrier and the Long Beach AEGIS conversion will help Secretary Brown in his efforts to control the Navy shipbuilding program. The issue of the control of Navy shipbuilding may be raised again, however, during consideration of the shipbuilding authorization requests.

Senate

-- The Defense Appropriations Subcommittee will hold a hearing and a subsequent mark-up session on the rescissions on Tuesday. The matter will be considered and reported by the full Appropriations Committee on Wednesday. On Thursday the full Senate should, by large margins, uphold the rescissions.

OTHER ACTIVITIES

Senate

-- Warnke Nominations: On Monday, February 28, the Senate Armed Services Committee completed its hearings on the Warnke nominations. Our supporters, led by Sens. McIntyre and Hart, with some assistance from Chairman Stennis, were able to avoid formal votes on the nomination by the Committee.

-- Several factors, however, cause a lessening of optimism for a big vote in favor of the SALT nomination. Sen. Stennis has let his colleagues know that he will vote against Warnke, setting off a chain reaction of announcements by Senators who now say they will split their votes (YEA on ACDA Director, NAY on SALT Negotiator). Senate offices are being deluged with anti-Warnke mail generated by right-wing groups. Also, consideration of the nominations has been dragged out, giving critics additional time to step up their attacks and work on "soft" and uncommitted colleagues.

-- Sen. Cranston's count last week indicating from 64 to 68 votes in favor of the SALT Negotiator nomination was based on his assumption that we would get half of the unknown/undecided Senators. Such optimism is not warranted now. Every one of the unknown/undecided on this week's count must be considered leaning against since opponents now seem to have the momentum.

-- Following is our most recent head count on the SALT Negotiator nomination:

(retained)

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OTHER ACTIVITIES (Cont'd)

House

-- Hospital Cost Containment: Three key members of the Ways and Means Committee (Reps. Rostenkowski, Corman, and Vanik) have indicated that they are favorably disposed toward a hospital cost containment program. On March 2, the Ways and Means Health Subcommittee recommended to the full Committee that budget savings of \$521 million (3/4 year) for Medicare in FY 1978 be indicated for this program as part of the Committee's report to the House Budget Committee. The Health Subcommittee of the House Interstate and Foreign Commerce Committee, which has jurisdictions over Medicaid, will meet next week to make its recommendations to the full Committee. For purposes of the hospital cost containment program, HEW is assuming a savings of \$134 million in FY 1978.

FLOOR ACTIVITIES FOR WEEK OF MARCH 7

House

Monday -- House convenes at noon.

- H.Res. 111, Reestablishing the Select Committee on Professional Sports The Select Committee was created by the House in May, 1976, but went out of existence with the end of the 94th Congress.

Bill Summary: The resolution directs the proposed 14-member Select Committee to conduct a comprehensive economic analysis of professional sports and to determine the impact of current antitrust law on all professional sports. The committee would have no legislative jurisdiction.

The floor manager will be Rep. B. F. Sisk, a member of the Rules Committee. Opposition to the resolution is expected on grounds that the committee's investigative authority intrudes on the jurisdiction of other committees

Tuesday -- House convenes at noon.

- H.R. 3477, Tax Reduction and Simplification Act of 1977. The House postponed action on this bill last week.

Bill Summary: The bill, assuming approval of the Ways & Means Committee amendments to the bill's three titles, provides \$12.7 BILLION in tax cuts and payments in FY 1977, \$17 BILLION in FY 1978 and \$13.4 BILLION in FY 1979. The bill also simplifies income tax returns and the tax computation for most individual taxpayers. Following is a fiscal year breakdown of the tax cuts and payments provided in the bill:

FLOOR ACTIVITIES (Cont'd)

(in BILLIONS)

Provision	FY 1977	FY 1978	FY 1979
1976 Tax Rebate	\$ 8.6	----	----
Payments to Beneficiaries of Various Programs	1.5	----	----
Increase and Revision of Standard Deduction	1.8	\$ 6.7	\$ 5.2
New Jobs Tax Credit of Businesses	.7	2.4	1.7
Extension of Existing Individual Tax Cuts	----	6.8	5.2
Extension of Existing Corporate Tax Cuts	----	1.0	1.3
TOTAL	\$12.7	\$17.0	\$13.4

Amendments: The modified open rule recommended by the Rules Committee makes in order only the Ways and Means Committee amendments to the bill's three titles. These amendments are not amendable. There will be separate votes on the amendments and, in each case, if the committee amendment is rejected, the bill reverts to the original provisions requested by the Administration. The Administration is not actively opposing the Ways and Means Committee amendments for the floor vote. The amendments:

- * Provide for a phaseout of the 1976 tax rebate for those earning \$25,000 or more and that \$50 payments go to recipients of AFDC, black lung benefits, and veterans compensation and pensions. (The Administration's original proposals do not include the phase out of the rebate or the three classes of beneficiaries.)
- * Provide for a standard deduction for single persons of \$2,400. (The Administration's original proposal provides a standard deduction of \$2,200 for single persons.)
- * Provide for jobs tax credit of 40% on the first \$4,200 of wages paid to new employees. (The Administration's original proposals provide business with the option of a 2% increase in the investment tax credit or a 4% credit on social security taxes.)

FLOOR ACTIVITIES (Cont'd)

In the parliamentary form of a motion to recommit the bill with instructions, two Republicans (Rep. Conable, ranking minority, Ways & Means; and Rep. Gradison, member, Ways & Means) will move to strike the \$50 rebate and payments provisions and substitute a reduction in lower bracket tax rates. The tax cuts would be for two years with an intention that they would become permanent. The Administration is actively opposing the Conable-Gradison motion to recommit with instructions.

Wednesday -- House convenes at 3:00 PM.

-- H.Res. ?, Establishing a Select Committee on Ethics. The resolution is a follow-on to the Rep. Obey Commission recommendations on financial ethics. The proposed Select Committee would issue interpretative regulations of the code of financial ethics passed by the House on March 2. The Select Committee would also propose legislation to place into permanent law the new financial rules adopted by the House.

-- Fifteen Committee Funding Resolutions. These resolutions provide funds for committee investigations and studies during the first session of the 95th Congress. The funding resolutions are as follows:

H.Res. 248 -- Education & Labor	-- \$1.9 million
H.Res. 279 -- Subcommittee on Labor Standards (Pension Task Force)	-- 2.3
H.Res. 221 -- Ways & Means	-- 2.1
H.Res. 275 -- Public Works & Transportation	-- 2.0
H.Res. 256 -- Post Office & Civil Service	-- 0.8
H.Res. 297 -- Science & Technology	-- 1.4
H.Res. 321 -- Merchant Marine & Fisheries	-- 0.9
H.Res. 132 -- Veterans' Affairs	-- 0.5
H.Res. 313 -- International Relations	-- 1.6
H.Res. 319 -- Subcommittee on International Organizations (Korean Invest.)	-- 0.3
H.Res. 357 -- Judiciary	-- 1.3
H.Res. 233 -- Standards of Official Conduct	-- 0.5
H.Res. 269 -- Select Committee on Narcotics Abuse & Control	-- 0.7
H.Res. 329 -- District of Columbia	-- 0.3
H.Res. 361 -- House Administration (Contested elections hearings)	-- 0.7
TOTAL	\$10.0

The floor manager will be Rep. John Dent, Chairman of the House Administration Subcommittee on Accounts.

Thursday -- House convenes at 11 AM.

H.R. 3843, Supplemental Housing Authorization Act of 1977.

Bill Summary: The bill provides supplemental housing authorizations for FY 1977 as follows:

- * Provides additional contract authority (\$378 million) for the rent subsidies housing assistance program (Section 8), to bring the total number of Section 8 and public housing units to 400,000.
- * Increase the subsidy contract terms for Section 8 from 20 to 30 years, for projects where conventional financing or the HUD coinsurance program is used.
- * To pay for heating bills due to the severe winter weather, provides for a \$19.6 million increase in the authorization for operating subsidies for existing public housing projects.
- * Increases the authorization for the Urban Homesteading Program by \$10 million (totals \$15 million).
- * Extends the HUD crime insurance and riot reinsurance programs through September 30, 1978.
- * Increases the authorization for the Federal Housing Administration's (FHA) General Insurance Fund from \$500 million to \$1.3 BILLION.

In addition, the bill establishes a National Commission on Neighborhoods composed of two Senators, two Members of the House, and 16 public members appointed by the President. The Commission will make a two-year study of the decline of neighborhoods and of actions necessary for neighborhood revitalization. The Commission will be funded out of HUD research funds (maximum cap of \$2 million).

Rep. Ashley, Chairman of the Housing & Community Development Subcommittee (Banking, Finance & Urban Affairs) will be the floor manager. Reps. Oaker and Fenwick may offer an amendment to guarantee representation of women on the Commission. The Administration supports the bill.

-- H.R. 1746, Repeal of Byrd Amendment (Rhodesian Chrome)

Bill Summary: The bill amends the United Nations Participation Act to allow the President to issue an executive order for the U.S. to comply with U.N. economic

FLOOR ACTIVITIES (Cont'd)

sanctions against Southern Rhodesia and ban the importation of Rhodesian chrome. The bill also bans the importation of any steel mill product containing Rhodesian chrome. This provision requires a certificate of origin for any imported steel mill products containing chromium in any form. The importation ban will not apply to any shipment of steel mill products containing chromium which is in transit to the U.S. on the date of enactment of the bill.

The floor manager will be Rep. Fraser, Chairman of the International Organizations Subcommittee (International Relations). No amendments have been noticed as of close of business Friday. The Administration supports the bill.

Friday

-- House convenes at 11:00 AM.

-- H.R. ?, Economic Stimulus Appropriations. The full Appropriations Committee is expected to mark-up and report the bill on Tuesday.

Bill Summary: The bill provides \$20.8 BILLION in new budget authority for FY 1977 for economic stimulus programs. The Appropriations Committee expects these funds to create directly one million new jobs. The bill includes:

- * \$250 million for increased funds for counter-cyclical assistance
- * \$59.4 million for an additional 14,800 part-time jobs for low-income older workers to bring the total program level to 37,400 jobs
- * \$4 BILLION for accelerated public works projects
- * \$1.8 BILLION in special payments to beneficiaries of certain programs as provided in the Tax Reduction and Simplification Act of 1977
- * \$1 BILLION for a new youth employment and training program directed toward unemployed youth ages 16 to 21
- * \$1.1 BILLION for public service jobs under CETA Title II to increase the current 50,000 jobs to 100,000 jobs by the end of FY 1977 and to 125,000 jobs in FY 1978

FLOOR ACTIVITIES (Cont'd)

- * \$6.8 BILLION for public service jobs under CETA Title VI to increase the current 26,000 jobs to 500,000 by the end of FY 1977 and 600,000 in FY 1978
- * \$250 million for a new skill training improvement program to upgrade the quality of skill training in manpower programs
- * \$120 million to establish the HIRE program to induce major corporations to hire and train veterans with primary emphasis on disabled veterans. An estimated 60,000 people will be enrolled in the program by the end of FY 1977 and 92,000 by the end of FY 1978
- * \$68 million to expand the Job Corps program to 30,000 training slots by September 30, 1977 (an increase of 7,300 slots)
- * \$14 million to provide additional employment and training programs on Indian reservations
- * \$16 million to expand and improve upon existing programs for migrants
- * \$10 million for state employment offices to hire 2,000 disabled veterans to staff job recruitment and service efforts for veterans
- * \$20 million to expand apprenticeship opportunities in highly skilled occupations
- * \$4.9 BILLION for the regular revenue sharing program for the next quarter's entitlement payments on April 5, 1977
- * \$35 million increase in the limitation on airport development grants
- * \$40 million for safety improvements and the elimination of hazards for railway-highway grade crossings for projects not on any federal-aid system
- * \$40 million for construction, reconstruction, and improvement of public highways in rural areas not on any federal-aid system
- * \$95 million to advance the production of the third space shuttle orbiter from FY 1978 to FY 1977

The measure will be managed by Chairman Mahon. No amendments were noticed as of close of business Friday.

Senate

- Senate floor activity this week is dominated by debate and eventual votes on the Warnke nominations.
- On Monday and Tuesday there will be no votes, only general debate on the nominations. On Wednesday, between 3:00 PM and 5:00 PM, time has been set aside to vote on any procedural motions on the nomination (motion to recommit, motion to table, etc.). We will prevail on any of these motions. No later than 5:00 PM there will be an up or down vote on the first nomination (SALT Negotiator), followed immediately by an hour of debate and then an up or down vote on the second nomination (ACDA Director).
- On Thursday, the Public Works Employment bill will be considered.
- After disposition of the Public Works Employment bill, the Senate is scheduled to take up its Financial Ethics package which is similar to the measure adopted by the House. Senators regard this as an in-house issue.
- The Byrd Amendment Repeal (Rhodesian Chrome) bill is on the Senate Calendar, but will not be taken up until the week of March 14 at the earliest.
- The Senate is expected to vote on the defense rescission proposal sometime during the week.

83/7/77

THE WHITE HOUSE
WASHINGTON

Mr. President:

Charles Schultze requested
this Executive Order, which
is also concured in by Watson,
Eizenstat, Lipshutz, and the
affected agencies. ✓

The EO abolishes the Economic
Policy Board (used by Ford),
and removes the Treasury
Secretary as Chairman of the
Council on Wage & Price
Stability, while retaining him
as Chairman of the Council
on International Economic
Policy.

Rick

Original To Bob Lenoir

EXECUTIVE ORDER

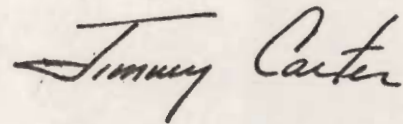
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ABOLISHING THE PRESIDENT'S
ECONOMIC POLICY BOARD, AND FOR OTHER PURPOSES

By virtue of the authority vested in me by the Constitution and statutes of the United States of America, including the International Economic Policy Act of 1972, as amended (22 U.S.C. 2841 et seq.), and the Council on Wage and Price Stability Act (88 Stat. 750, 12 U.S.C. 1904 note), and as President of the United States of America, in order to permit a new designation of the Chairman of the Council on Wage and Price Stability and to abolish the Economic Policy Board, it is hereby ordered as follows:

Section 1. Executive Order No. 11808, as amended, is hereby revoked.

Sec. 2. The Secretary of the Treasury shall continue as Chairman of the Council on International Economic Policy (22 U.S.C. 2844 and 2848).

A handwritten signature in dark ink, reading "Jimmy Carter". The signature is written in a cursive, flowing style with a large, prominent "J" and "C".

THE WHITE HOUSE,

THE WHITE HOUSE
WASHINGTON

March 7, 1977

Ham Jordan -

The attached was returned in the
President's outbox. It is forwarded
to you for your information.

Rick Hutcheson

Re: Alan K. Campbell and
Civil Service Commission

MEMORANDUM

TO: Hamilton Jordan
FROM: Alan K. Campbell

Attached is the memo which the President requested from me yesterday. If you have any questions about it, please call me. If the situation is still such that Mrs. Johnson will be called, she is in London at the Dorchester Hotel. Might I suggest that a possible person to call her is Bob Strauss whom I happened to meet yesterday by chance at Bert Lance's office. The President of the University of Texas is Lorene Rogers. Her phone number is 512-471-1233.

I will be in my office all day today and tomorrow if it would be useful for you to get in touch with me.

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN.

March 3, 1977

MEMORANDUM FOR PRESIDENT CARTER

FROM: HAMILTON JORDAN

SUBJECT: ALAN K. CAMPBELL

Attached is the material you requested from Alan Campbell in your meeting yesterday.

Also attached is a note to me with information on the calls that need to be made.

If you wish me to take any further action, I will do so.

encls.

I have checked further and am convinced that this is best person for job. His views - as expressed here - are exactly what is needed.

You'll probably have to push hard and make a ~~pat~~ patriotic pitch to get him away from Texas.

H.J.

MEMORANDUM

TO: President Carter
FROM: Alan K. Campbell
SUBJECT: Civil Service Commission

I much enjoyed our brief conversation yesterday about the Civil Service Commission, and appreciate this opportunity to expand on my views about the Commission. To do so in the couple of pages you suggested imposes a discipline to which academics, unfortunately, are unaccustomed, but I will do my best to respect it.

President Kennedy said, "Let the public service be a proud and lively career." Commentators will disagree about the extent the Civil Service Commission has contributed over its life to this end, but few would disagree that the lack of contribution made in recent years is evident.

The reasons for this rather negative record in recent years are in part inherent to the function of the Commission, and its recent record including the "buccaneers" of the Nixon administration.

The inherent part relates to the essentially negative functions of the Commission. Born in the wake of the assassination of a President, the historic role assigned the Commission was the elimination of "spoils." To eliminate "spoils" meant reducing the freedom of managers and administrators in appointing, promoting and managing people of their own choice.

Over the years several significant and partially successful efforts have been made to move the Commission to a more positive role through grants of more hiring and other personnel powers to line agencies. Under the leadership of Presidents Kennedy and Johnson, this power was used by the operating agencies to create imaginative and innovative recruiting, hiring, and organizing practices. It was this new freedom which the Nixon administration used to reintroduce political and partisan consideration in appointments to career positions. A decade's movement to more positive personnel practices was thus undermined.

As a result the Commission has returned to being an institution "staffed by people who would rather whistle the traffic to a stop than to take steps necessary to make it move."

For the Carter administration, intent upon reforming, invigorating, and increasing the effectiveness of government, this presents an acute problem. Organizational reform will require the positive cooperation of the Commission, and a highly motivated career service. Empowered primarily with negative powers--delay, referral, revision and veto--the Commission will do what comes naturally, unless its attitude changes -- that is use those negative powers.

any professional, non-career positions responsible to the Chairman. The Chairman, thus, sits "naked" in the midst of an organization staffed entirely by career service people who largely have been promoted from within the agency.

Since the Commission is also seen as a semi-independent agency with as much responsibility to Congress as to the President, the Chairman has no real constituency except for the career service within the Commission and the departments and agencies.

This situation, fortunately, is correctable. Roger Jones, one of the most distinguished Chairmen of the Commission, argued correctly, in my view, that the Commission "...could and should function as an arm of the Chief Executive." An effort was made to institutionalize this role during the Eisenhower Administration by making the Chairman the chief personnel advisor to the President. Although the Executive Order creating that office was rescinded by President Johnson, he simultaneously sent a letter to John Macy, then Chairman of the Commission, directing him "...in addition to fulfilling your role as Chairman of the United States Civil Service Commission, I request you to provide advice and assistance to me in all areas of the President's responsibility for civilian personnel at home and abroad."

If the Commission is to serve a generally positive role in your implementation of federal policy and more significantly to aid through executive branch reorganization the effectiveness and accountability of government, two actions are essential. The President must provide visibility and stature for the Chairman by providing him a cabinet level role, specifically in relation to the efforts to reorganize the executive branch. Further, the Chairman must be provided with some professional staff assistance outside of the career service. This professional assistance would aid him in the supervision of the agency and help him in his specific responsibilities to the President and the Director of OMB.

The function assigned to the Civil Service Commission are at the heart of effective government -- responsible service delivery, enhanced productivity, and equality of opportunity. Unfortunately, the conditions which created the Commission have made it difficult for it to live up to this role, although it has done well when Presidents have aided it. Some strong Commissioners have brought life and effectiveness to the Commission -- Theodore Roosevelt, Leonard White, Arthur S. Fleming, Roger Jones, and John Macy -- but only with Presidential support. It is this combination of a supportive President with a strong Chairman that has made the Commission a useful agency to a creative and activist President.

Well, I made the two-page limitation, but it was close. Thank you for this opportunity to express my views.

MEMORANDUM

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

March 3, 1977

MEMORANDUM FOR PRESIDENT CARTER

FROM: HAMILTON ^{HJ}JORDAN

SUBJECT: ALAN K. CAMPBELL

Attached is the material you requested from Alan Campbell in your meeting yesterday.

Also attached is a note to me with information on the calls that need to be made.

If you wish me to take any further action, I will do so.

encls.

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for Preservation Purposes

March 3, 1977

MEMORANDUM

TO: Hamilton Jordan

FROM: Alan K. Campbell

Attached is the memo which the President requested from me yesterday. If you have any questions about it, please call me. If the situation is still such that Mrs. Johnson will be called, she is in London at the Dorchester Hotel. Might I suggest that a possible person to call her is Bob Strauss whom I happened to meet yesterday by chance at Bert Lance's office. The President of the University of Texas is Lorene Rogers. Her phone number is 512-471-1233.

I will be in my office all day today and tomorrow if it would be useful for you to get in touch with me.

**Electrostatic Copy Made
for Preservation Purposes**

March 3, 1977

MEMORANDUM

TO: President Carter

FROM: Alan K. Campbell

SUBJECT: Civil Service Commission

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The difficulty of correcting this situation is magnified by the lack of any professional, non-career positions responsible to the Chairman. The Chairman, thus, sits "naked" in the midst of an organization staffed entirely by career service people who largely have been promoted from within the agency.

Since the Commission is also seen as a semi-independent agency with as much responsibility to Congress as to the President, the Chairman has no real constituency except for the career service within the Commission and the departments and agencies.

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Well, I made the two-page limitation, but it was close. Thank you for this opportunity to express my views.

THE WHITE HOUSE
WASHINGTON

March 7, 1977

Jack Watson

The attached was returned in the
President's outbox. It is forwarded
to you for your information.

Rick Hutcheson

cc: Bob Lipshutz

Re: Secret Service Protection



THIS DOCUMENT HAS BEEN

THE SECRETARY OF THE TREASURY
WASHINGTON 20220

"FYI"

*for transmittal
to the President
(at his request) -
J. Watson
C*

MEMORANDUM FOR THE PRESIDENT

Subject: Secret Service Protection

The Secret Service is presently protecting the following persons:

<u>PERSON</u>	<u>PROJECTED LENGTH OF PROTECTION</u>
President Carter ✓	Lifetime
Mrs. Carter ✓	Lifetime - unless remarries
Amy Carter ✓	Term of Office or 16th birthday
Jack Carter ✓	Term of Office
Jason Carter ✓	Term of Office
James (Chip) Carter ✓	Term of Office
Jeff Carter ✓	Term of Office
James Earl Carter IV ✓	Indefinite
Vice President Mondale ✓	Term of Office (usually extended for short period)
Mrs. Mondale ✓	Term of Office (usually extended for short period)
Eleanor Mondale ✓	March 18 through 20, 1977
Former President Ford ✓	Lifetime
Mrs. Ford ✓	Lifetime - unless remarries
Former President Nixon ✓	Lifetime
Mrs. Nixon ✓	Lifetime - unless remarries

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<u>PERSON</u>	<u>PROJECTED LENGTH OF PROTECTION</u>
Mrs. Johnson ✓	Lifetime - unless remarries
Mrs. Truman ✓	Lifetime - unless remarries
Mrs. Eisenhower ✓	Lifetime - unless remarries
Secretary Blumenthal ✓	Term of Office
Susan Ford ✓	March 20, 1977
Doctor Kissinger ✓	March 20, 1977
President Bongo, Gabon ✓	February 27 - March 5, 1977
Prime Minister Callaghan, ✓ England	March 9 - March 12, 1977
Prime Minister Fukuda, ✓ Japan	March 19 - March 22, 1977
Prime Minister Rabin, ✓ Israel	March (Date unknown)
King Wangchuck, Bhutan ✓	March (Date unknown)

During Fiscal Year 1976, the Secret Service provided protection to 91 Heads of a Foreign State or Foreign Government. It is anticipated that this number will remain about the same for the present Fiscal Year.

In addition, at the direction of the President, the U.S. Secret Service can be called upon to protect "Other distinguished foreign visitors to the United States, and official representatives of the United States performing special missions abroad."

WMB

W. Michael Blumenthal

THE WHITE HOUSE
WASHINGTON

March 7, 1977

Ham Jordan -

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

Re: Special Assistant for Consumer
Affairs

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THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

March 4, 1977

MEMORANDUM TO THE PRESIDENT

FROM: Hamilton Jordan and Betty Rainwater *H.J.*

RE: The Need for a Special Assistant to the President for
Consumer Affairs

Failure to appoint a Special Assistant for Consumer Affairs would be interpreted as:

1. a signal from you of waning interest in the consumer agency legislation, thus possibly seriously endangering its passage; and
2. a severe demotion for consumer advocacy since this position has existed since 1964. The consumer groups felt that even President Nixon's action of moving his Special Assistant's staff to HEW was a blow to their cause. Failure to appoint a Special Assistant at all would cause an even stronger reaction from them.

Based on historical precedent and on your campaign commitments, the consumer groups are assuming that you will do no less than make this appointment.

The justification for appointing another special assistant is that this one is temporary. As Stu Eizenstat has suggested, you should make this clear publicly at the outset, that the position will be folded into the new agency along with all the departmental consumer affairs offices as soon as the consumer agency is born.

I strongly recommend that you appoint a Special Assistant for Consumer Affairs.

✓ Agree
 Disagree

*ok - go with
Mr Peterson
JC*

*You asked did we need this - the consumers say we do
to get the agency created. If you use Estlin Peterson
for this, it will self-destruct at creation of agency.*

*Ralph Nader can present all the arguments
for this. Call him if you want to gauge the importance
of this. H.J.*

THE WHITE HOUSE
WASHINGTON

March 7, 1977

Frank Moore -

The attached letter was returned
in the President's outbox. The
Original letter is returned to you for
conveying to Congressman Steers.

Rick Hutcheson

cc: Bob Lipshutz

Re: Carter Peanuts

- original to Frank to
convey to Long Steers
- cc Highland

Mr. President --

THE WHITE HOUSE
WASHINGTON

3/4/77

Per your request. We planned
to forward this to Robert
Lipshutz without an acknowledge-
ment from this office.

K. Baker
K. Baker

Cong. Correspondence

14 NEWTON I. STEERS, JR.
8TH DISTRICT
MONTGOMERY COUNTY, MD.

ADMINISTRATIVE ASSISTANT
WILLIAM T. M. GRIGG

THE PRESIDENT HAS SEEN.



ANY REPLY TO THIS LETTER
SHOULD BE ADDRESSED TO
OFFICE CHECKED.

☒ WASHINGTON OFFICE:
ROOM 510
CANNON HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515
TELEPHONE (202) 225-5341

DISTRICT OFFICES:
☐ ROOM 413
WHEATON PLAZA, NORTH
BUILDING
UNIVERSITY BLVD. AND
VEIRS MILL RD.
WHEATON, MARYLAND 20902
TELEPHONE (301) 427-7548
☐ 6601 RIVER RD.
BETHESDA, MARYLAND 20034
TELEPHONE (301) 320-5820

CONGRESS OF THE UNITED STATES

HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515

COMMITTEES:
BANKING, FINANCE AND URBAN AFFAIRS
DISTRICT OF COLUMBIA

February 22, 1977

FM
imp
Mr. Frank Moore, Director
Office of Congressional Relations
The White House
Washington, D.C. 20500

RL
3 MAR 1977

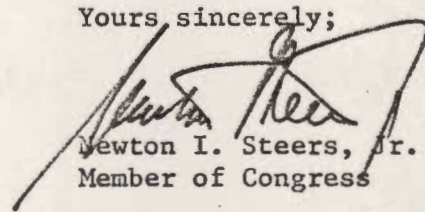
Dear Mr. Moore:

I have enclosed a letter from a constituent, as well as my initial response, concerning a bag of "Carter Peanuts" which my constituent located somewhere. Obviously, my constituent was rather upset over the possibility that the President was involved - or that someone was doing this without his knowledge.

I would appreciate learning more about this entire situation and any information which you can provide me would be appreciated.

Thank you for your assistance.

Yours sincerely;


Newton I. Steers, Jr.
Member of Congress

NIS:kns

3-4-77
Cong Steers:
I know nothing
about it -
J. Carter

NEWTON I. STEERS, JR.
8TH DISTRICT
MONTGOMERY COUNTY, MD.

ADMINISTRATIVE ASSISTANT
WILLIAM T. M. GRIGG



ANY REPLY TO THIS LETTER
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OFFICE CHECKED.

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WASHINGTON, D.C. 20515
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COMMITTEES:
BANKING, FINANCE AND URBAN AFFAIRS
DISTRICT OF COLUMBIA

February 22, 1977

Charles and Frances Collett
5020 Randolph Road
Rockville, Maryland 20852

Dear Friends:

Thank you for your letter of January 29 concerning the
"Carter peanuts" which you have forwarded to the White
House.

I hope that the President knows nothing about this commercial
activity and will appreciate your letter letting him know about
it. With the emphasis which the President has placed on honesty,
integrity, and ethics - and his personal actions in putting his
assets in a blind trust - we are entitled to doubt that he has
authorized this action. As the enclosed letter indicates, I have
also written to the White House to learn more about this. As soon
as I receive a response, I will be in touch with you.

Again, thank you for writing.

Yours sincerely;

Newton I. Steers, Jr.
Member of Congress

NIS;kns
Encl

RECEIVED
RED DOWNTOWN
18 Jan 77

5020 Randolph Road
Rockville, Md. 20852
January 29, 1977

Congressman Newton I. Steers, Jr.
Wheaton, Maryland 20902

Dear Congressman Steers:

I have today mailed to the President an empty cellophane sack which contained raw peanuts. The sack is prominently labelled "PRESIDENT'S PACK.....THE PEANUTS IN THIS PACKAGE WERE PROCESSED BY PRESIDENT CARTER'S PEANUT PLANT IN PLAINS, GEORGIA."

Either the President is unaware of this activity, or he is aware of it and permits it to be continued. In the latter case, the prestige and integrity of the White House have been brought to a new low.

Yours very truly,

Charles T. Collett
Frances H. Collett
Charles T. Collett
Frances H. Collett

THE WHITE HOUSE
WASHINGTON

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
	X	JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON

- ☐ FOR STAFFING
- ☐ FOR INFORMATION
- ☐ TO PRESIDENT
TODAY

ACTION	FYI	
		ARAGON
		BOURNE
		BRZEZINSKI
		BUTLER
		H. CARTER
		CLOUGH
		FALLOWS
		HARDEN
		HOYT
		KRAFT
		B. MITCHELL
		B. RAINWATER
		SCHLESINGER
		SCHNEIDERS
		SIEGEL
		T. SMITH
		WELLS
		VOORDE

THE WHITE HOUSE
WASHINGTON

March 7, 1977

Bob Lipshutz -

The attached was returned in the President's outbox. The original signed letter to Max Cleland is returned to you for appropriate handling.

Rick Hutcheson

THE WHITE HOUSE
WASHINGTON

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
	<input checked="" type="checkbox"/>	LIPSHUTZ
		MOORE
		POWELL
		WATSON

- ☐ FOR STAFFING
- ☐ FOR INFORMATION
- ☐ TO PRESIDENT
TODAY

ACTION	FYI	
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		HOYT
		KRAFT
		B. MITCHELL
		B. RAINWATER
		SCHLESINGER
		SCHNEIDERS
		SIEGEL
		T. SMITH
		WELLS
		VOORDE

*Send
on 9 to
FBI*

83/5/77
THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

March 4, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Bob Lipshutz *BL*
SUBJECT: Statutory Waiver for Max Cleland

Because Max Cleland receives veterans' disability benefits and may be in office when an increase in compensation benefits payable to disabled veterans is authorized or enacted, you must grant him a waiver to act on such matters under 18 U.S.C. 208 (b). The statute authorizing a waiver provides for precisely this type of exemption. The waiver is appropriately granted only after the assumption of government office by the individual. As you know, Max Cleland is now serving as Administrator.

Max Cleland will donate to charity any increased benefits he may receive as a result of cost of living increase or legislation enacted while he is serving as Administrator of the Veterans Administration.

Please sign the attached letter.

THE WHITE HOUSE
WASHINGTON

To Administrator Joseph Cleland

I congratulate you on your confirmation as Administrator of Veterans Affairs. You know of the confidence I have in your ability to perform as an outstanding Administrator for the veterans of this country.

You have advised me in your letter of February 11, 1977 as follows:

"I am honored by the faith you have shown in me by proposing to nominate me to be the Administrator of Veterans Affairs.

"It has come to my attention, however, that my appointment may create a conflict of interest under 18 U.S.C. 208(a). I am receiving service connected compensation under the appropriate statutes and regulations of the Veterans Administration as a 100 percent disabled veteran (currently \$1,090.00 per month).

"18 U.S.C. 208(a) provides that officials of the United States may not act on matters in which they have a financial interest. It is quite possible during my tenure in office that changes may be proposed in the rate of disability compensation or other veteran benefits I receive (or may be entitled to receive) either by cost of living increases or otherwise, which would require the personal and substantial participation of the Administrator. While other Administrators of Veterans Affairs have been eligible for, and have received, compensation for service connected disabilities and other veteran benefits during their tenure as Administrator without this apparent conflict being raised, I believe that the question must be raised at this time.

"This matter has been discussed with officials of the Civil Service Commission and the Department of Justice. While the issue is not clear, the consensus is that a problem may arise unless the appointing official, in this case, you, issues a written statement as authorized by 18 U.S.C. 208(b) to the effect that my interests as a recipient of benefits from the Veterans Administration are not so substantial as

to be likely to affect the integrity of my services as Administrator of Veterans Affairs. Needless to say, however, I would disqualify myself from any action involving my specific case.

"In addition, while Administrator, although not required by law, it is my intention to donate to charity any increases in disability compensation benefits which may be enacted into law during that period of time.

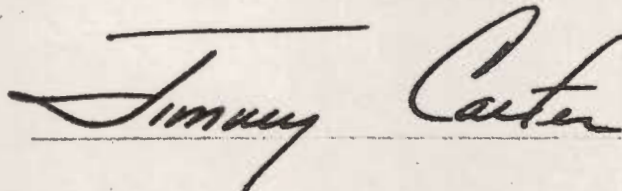
"I look forward to serving the veterans of this Nation, and you, with honor."

Your letter advises me that while serving as Administrator it is your intention to donate to charity any increase in disability compensation benefits for which you may become eligible as a result of cost of living increases or legislation enacted into law during your period of service as Administrator. In addition, you have expressed your intention to disqualify yourself from acting on any matter involving your specific case.

I have asked Robert Lipshutz, Counsel to the President, to review this matter. He has concluded that because you have decided to donate to charity any increased disability compensation or other increased veterans' benefits which you may receive during your service as Administrator, your financial interest as a recipient of Veterans Administration benefits is not so substantial as to be deemed likely to affect the integrity of the services you will perform as Administrator of the Veterans Administration. Therefore, as the Government official responsible for your appointment as Administrator, I hereby grant you a waiver allowing you to act personally and substantially in veterans matters in which you may have a financial interest, as is authorized by 18 U.S.C. 208(b).

It is a pleasure to have you serve in this Administration.

Sincerely,

✓ 

The Honorable Joseph Maxwell Cleland
Administrator of Veterans Affairs
Washington, D.C. 20420

February 11, 1977

Dear Mr. President:

I am honored by the faith you have shown in me by proposing to nominate me to be the Administrator of Veterans' Affairs.

It has come to my attention, however, that my appointment may create a conflict of interest under 18 U.S.C. 208(a). I am receiving service connected compensation under the appropriate statutes and regulations of the Veterans' Administration as a 100 percent disabled veteran (currently \$1,090.00 per month).

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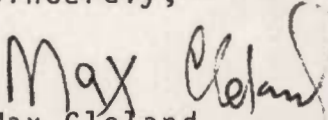
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In addition, while Administrator, although not required by law, it is my intention to donate to charity

any increases in disability compensation benefits which may be enacted into law during that period of time.

I look forward to serving the veterans of this Nation, and you, with honor.

Sincerely,


Max Cleland

The President
The White House
Washington, D.C. 20500

THE WHITE HOUSE

WASHINGTON

March 7, 1977

The Vice President
Stu Eizenstat
Ham Jordan
Bob Lipshutz
Frank Moore
Jack Watson
Jody Powell

Re: Cabinet Summaries

The attached reports were returned in
the President's outbox. They are forwarded
to you for your information.

Rick Hutcheson

Reports Attached:
HEW, Labor, Agriculture,
Interior, CEA

*See 3/8 for
Commerce Report*

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

March 4, 1977

MEMORANDUM FOR: THE PRESIDENT
FROM: JACK WATSON *Jack*
RE: CABINET SUMMARIES FOR WEEK OF
FEBRUARY 28 - MARCH 4, 1977

I attach weekly summaries just received from the following departments:

CEA
HEW
JUSTICE

TREASURY
JIM SCHLESINGER
DEFENSE
COMMERCE

Also attached are Griffin Bell's memorandum, in response to your request, on white collar crime statistics, and details of Juanita Kreps' weekend remarks to the National League of Cities.

You may also be interested in the status of certain Intergovernmental Relations and Cabinet Secretary activities:

I. Reconvening the Undersecretaries Group

On March 3 Harrison Wellford and I met with the Undersecretaries from all departments concerned with domestic policy. This group has traditionally supervised the Federal Regional Councils. We are broadening its mandate to coordinate intra-departmental review of regional offices; consider red tape problems in the Federal aid system; and to work on inter-departmental matters generally. Preliminary papers on the FRC's and Departmental regional offices are due next Friday and a second meeting is scheduled for March 18.

II. Formation of Executive Assistant's Group

This group of key aides to Cabinet Secretaries met in the Roosevelt Room on February 17. We discussed the functions of the Cabinet Secretary and the Assistant for Intergovernmental Affairs, the need to reduce paper flow and the

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value of coordination. We will meet on a monthly basis, with the next meeting set at the Labor Department on March 10.

III. Follow-up Letter To The Fifty Governors

I am thanking the fifty Governors for their cooperation last week, and am forwarding a copy of your directive on intergovernmental relations.

IV. Informal Clusters

On an ad hoc basis, we are facilitating inter-departmental meetings to formulate policy in specific areas. For example, on March 3 representatives from the Justice, Labor, State, Domestic Council and Jane Frank met at the Labor Department to develop a coordinated policy on illegal aliens. A second meeting is planned for March 9 at the Justice Department.

Other Cabinet committees are being convened to deal with such subjects as Puerto Rico (as discussed with Governor Barcelo) and urban and regional development.

Attachments



THE PRESIDENT HAS SEEN.
THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE
WASHINGTON, D. C. 20201

C
1

March 4, 1977

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Weekly Report on HEW Activities

The following is my weekly report on important activities within the Department of Health, Education, and Welfare.

IMPORTANT CONGRESSIONAL ACTIVITIES

Hospital Cost Containment

Last week, I reported on the establishment of an in-house task force to develop the details of the Administration's cost containment legislative proposal. The group meets with me every morning at 8.

This week, we began congressional consultations and met initially with Congressmen Rostenkowski, Corman, and Vanik of the Health Subcommittee of House Ways and Means. All three were favorably disposed toward the program we are developing; on March 2, the Health Subcommittee recommended that Ways and Means' upcoming report to the House Budget Committee provide for Medicare savings of \$521 million (for 3/4 of Fiscal Year 1978), assuming congressional enactment of an effective cost containment program.

On the same day, the Senate Finance Committee voted to recommend to the Senate Budget Committee an estimated \$800 million savings in Medicare and Medicaid outlays for the full Fiscal Year 1978, based on the same assumption.

Consultations at the congressional staff level to gather and discuss ideas and details for the content of the legislation also began this week and will be intensified during the week of March 7. Exploratory meetings with several key interest groups are also scheduled for next week.

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for Preservation Purposes

Fiscal Year 1978 Budget Testimony

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Other Testimony

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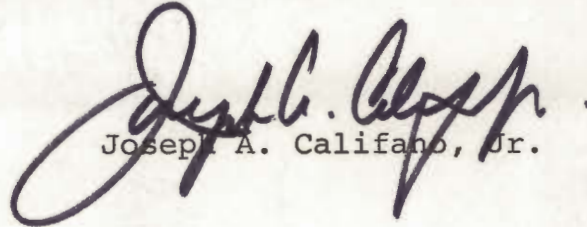
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Joseph A. Califano, Jr.

THE INFORMATION WAS SEEN.

U. S. DEPARTMENT OF LABOR
OFFICE OF THE SECRETARY
WASHINGTON

"INFORMATION"

C/

March 4, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY OF LABOR, RAY MARSHALL

Ray Marshall

SUBJECT: Major Departmental Activities for
February 26-March 4

EMPLOYMENT AND TRAINING

Economic Stimulus Package

Unemployed Youth--In collaboration with the Domestic Council, the Labor Department completed the design of the Administration's proposed youth initiative. The program was developed after taking into consideration the numerous legislative proposals which have been introduced in Congress. The total cost of the youth initiative is expected to be \$1.5 billion and includes the following three programs to combat unemployment among young Americans:

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Electrostatic Copy Made
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THE PRESIDENT HAS SEEN.

DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20250

March 4, 1977

MEMORANDUM TO THE PRESIDENT

THROUGH Jack Watson
Secretary to the Cabinet

SUBJECT: Weekly Report

SUGAR. The ITC has confirmed that present market conditions are causing injury to the U.S. sugar industry. The Commission is to suggest remedies by March 10. If completed, they will be reviewed for possible inclusion in recommendations for Presidential action. Those recommendations should be completed by March 17.

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OHIO. Ohio is dropping its State meat/poultry inspection program. By law, USDA must assume responsibilities. We will review the need to transfer all 250 people in the State program to the Federal payroll and explore other cost savings. If we absorb the entire program, as is, it will require a new personnel ceiling and a supplemental budget request of up to \$2 million. To date, 18 State meat inspection programs and 25 poultry inspection programs have been turned over to the Federal Government.

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BOB BERGLAND
Secretary



THE PRESIDENT HAS SEEN.
THE SECRETARY OF THE INTERIOR
WASHINGTON

9
1

March 4, 1977

MEMORANDUM TO THE PRESIDENT

From: Secretary of the Interior

Subject: Major Topics for the Week of February 28

- I spent a great deal of time with the Governors, but I feel that this, coupled with your willingness to give them time, caused them to return to their states with a feeling that you and your Administration really care.
- Congressman Udall is okay on the proposal for a new DoE.
- Outer Continental Shelf legislation is well on it's way to passage.
- We did appeal Judge Weinstein's Order on the Atlantic Sale. You have the memorandum on this already.
- Water projects evaluation is on track and hearing dates for BR projects have been publicized.
- Please see attached memorandum on natural gas deregulation. I will discuss it further if you desire. *(not attached)*
- Total time on the Hill for testimony was 4-1/2 hours *(attached)* with 6 hours of preparation. *(returned)*

Cecil D. Andrus
Cecil D. Andrus
Secretary

Electrostatic Copy Made
for Pictograph Corporation

THE WHITE HOUSE
WASHINGTON

March 7, 1977

Charlie Schlutze -

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

Re: CEA Weekly Report 3/5/77

THE PRESIDENT HAS SEEN.

cc: Schultze
J

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

March 5, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: CHARLIE SCHULTZE ^{CLS}

SUBJECT: Weekly Report on Activities of the CEA

1. Humphrey-Hawkins Bill

The various agencies dealing with economic policy have developed agency positions on the revised Humphrey-Hawkins bill (HR 50). CEA is summarizing these analyses for circulation to members of the EPG. An Administration position on Humphrey-Hawkins will need to be developed over the next couple of weeks. I have agreed to confer with Senator Humphrey before the Administration takes a public position on the bill.

2. New Budget Projections to 1981-82

OMB and the CEA are working jointly to develop a new set of budget projections through fiscal year 1982. These projections will be based on the new proposals for expenditures and taxes included in the revised 1978 budget. The projections should give us some idea of how budgetary and economic changes to date have affected the "fiscal dividend".

3. Study of the Permanent Structure of Unemployment Insurance Financing

The EPG has commissioned a study of the permanent structure of unemployment insurance financing. The trust fund is running a huge deficit because of both recession and the addition of new programs. The study would deal with the possible use of general revenues to finance unemployment benefits when unemployment remains high for an extended period. It will also consider whether to repay the current large deficit in the U. S. Trust Fund from payroll taxes



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for Preservation Purposes

or general revenues. The study will be conducted jointly by Labor, OMB, and the CEA, with Labor taking the lead.

4. Review of Clean Air and Related Issues

The CEA staff is participating in an interagency effort to review and coordinate the Administration position on Amendments to the Clean Air Act and on various regulations affecting automobiles. The Clean Air Act amendments are moving rapidly through the Congress and will require an Administration position soon. We will evaluate policy options both in terms of their economic impact, and their relation to regulatory reform.

5. Eyes-Only Memoranda for the Vice President

The Vice President has asked to be provided with copies of "eyes-only" memoranda to you from me. These memos analyze economic statistics that are provided to the CEA before their public release. We will be happy to provide copies to him under our sealed-envelope procedure, if you approve.

Approve



Disapprove

THE WHITE HOUSE

WASHINGTON

March 7, 1977

The Vice President
Stu Eizenstat
Ham Jordan
Bob Lipshutz
Frank Moore
Jack Watson
Jody Powell

Re: Cabinet Summaries

The attached reports were returned in
the President's outbox. They are forwarded
to you for your information.

Rick Hutcheson

Reports Attached:
HEW, Labor, Agriculture,
Interior, CEA

THE WHITE HOUSE
WASHINGTON

cc
Schulke

THE WHITE HOUSE
WASHINGTON

ACTION	FYI	
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	MONDALE
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	COSTANZA
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<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	LIPSHUTZ
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<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	WATSON

- ☐ FOR STAFFING
- ☒ FOR INFORMATION
- ☐ TO PRESIDENT
TODAY

ACTION	FYI	
<input type="checkbox"/>	<input type="checkbox"/>	ARAGON
<input type="checkbox"/>	<input type="checkbox"/>	BOURNE
<input type="checkbox"/>	<input type="checkbox"/>	BRZEZINSKI
<input type="checkbox"/>	<input type="checkbox"/>	BUTLER
<input type="checkbox"/>	<input type="checkbox"/>	H. CARTER
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<input type="checkbox"/>	<input type="checkbox"/>	B. MITCHELL
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<input type="checkbox"/>	<input type="checkbox"/>	SCHLESINGER
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THE PRESIDENT HAS SEEN,

THE WHITE HOUSE

WASHINGTON

March 4, 1977

MEMORANDUM FOR: THE PRESIDENT
FROM: JACK WATSON *Jack*
RE: CABINET SUMMARIES FOR WEEK OF
FEBRUARY 28 - MARCH 4, 1977

I attach weekly summaries just received from the following departments:

CEA
HEW
JUSTICE

TREASURY
JIM SCHLESINGER
DEFENSE
COMMERCE

Also attached are Griffin Bell's memorandum, in response to your request, on white collar crime statistics, and details of Juanita Kreps' weekend remarks to the National League of Cities.

You may also be interested in the status of certain Intergovernmental Relations and Cabinet Secretary activities:

I. Reconvening the Undersecretaries Group

On March 3 Harrison Wellford and I met with the Undersecretaries from all departments concerned with domestic policy. This group has traditionally supervised the Federal Regional Councils. We are broadening its mandate to coordinate intra-departmental review of regional offices; consider red tape problems in the Federal aid system; and to work on inter-departmental matters generally. Preliminary papers on the FRC's and Departmental regional offices are due next Friday and a second meeting is scheduled for March 18.

II. Formation of Executive Assistant's Group

This group of key aides to Cabinet Secretaries met in the Roosevelt Room on February 17. We discussed the functions of the Cabinet Secretary and the Assistant for Intergovernmental Affairs, the need to reduce paper flow and the

value of coordination. We will meet on a monthly basis, with the next meeting set at the Labor Department on March 10.

III. Follow-up Letter To The Fifty Governors

I am thanking the fifty Governors for their cooperation last week, and am forwarding a copy of your directive on intergovernmental relations.

IV. Informal Clusters

On an ad hoc basis, we are facilitating inter-departmental meetings to formulate policy in specific areas. For example, on March 3 representatives from the Justice, Labor, State, Domestic Council and Jane Frank met at the Labor Department to develop a coordinated policy on illegal aliens. A second meeting is planned for March 9 at the Justice Department.

Other Cabinet committees are being convened to deal with such subjects as Puerto Rico (as discussed with Governor Barcelo) and urban and regional development.

Attachments



THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE
WASHINGTON, D. C. 20201

March 4, 1977

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Weekly Report on HEW Activities

The following is my weekly report on important activities within the Department of Health, Education, and Welfare.

IMPORTANT CONGRESSIONAL ACTIVITIES

Hospital Cost Containment

Last week, I reported on the establishment of an in-house task force to develop the details of the Administration's cost containment legislative proposal. The group meets with me every morning at 8.

This week, we began congressional consultations and met initially with Congressmen Rostenkowski, Corman, and Vanik of the Health Subcommittee of House Ways and Means. All three were favorably disposed toward the program we are developing; on March 2, the Health Subcommittee recommended that Ways and Means' upcoming report to the House Budget Committee provide for Medicare savings of \$521 million (for 3/4 of Fiscal Year 1978), assuming congressional enactment of an effective cost containment program.

On the same day, the Senate Finance Committee voted to recommend to the Senate Budget Committee an estimated \$800 million savings in Medicare and Medicaid outlays for the full Fiscal Year 1978, based on the same assumption.

Consultations at the congressional staff level to gather and discuss ideas and details for the content of the legislation also began this week and will be intensified during the week of March 7. Exploratory meetings with several key interest groups are also scheduled for next week.

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"INFORMATION"

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Ray Marshall

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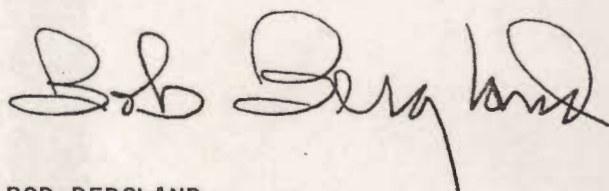
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- I spent a great deal of time with the Governors, but I feel that this, coupled with your willingness to give them time, caused them to return to their states with a feeling that you and your Administration really care.
- Congressman Udall is okay on the proposal for a new DoE.
- Outer Continental Shelf legislation is well on it's way to passage.
- We did appeal Judge Weinstein's Order on the Atlantic Sale. You have the memorandum on this already.
- Water projects evaluation is on track and hearing dates for BR projects have been publicized.
- Please see attached memorandum on natural gas deregulation. I will discuss it further if you desire. *(not attached when returned)*
- Total time on the Hill for testimony was 4-1/2 hours with 6 hours of preparation.

Cecil D. Andrus
Cecil D. Andrus
Secretary



THE WHITE HOUSE
WASHINGTON

March 7, 1977

Stu Eizenstat -

The attached memorandum was
signed by the President and forwarded
to Bob Linder for handling.

Rick Hutcheson

Re: Statutory deadlines for reports

THE WHITE HOUSE
WASHINGTON

March 3, 1977

Mr. President:

Attached is a proposed memorandum following up your note to "let my own commissions know there will be no extensions."

Sh

THE WHITE HOUSE

WASHINGTON

March 4, 1977

MEMORANDUM FOR

THE SECRETARY OF STATE
THE SECRETARY OF THE TREASURY
THE SECRETARY OF DEFENSE
THE ATTORNEY GENERAL
THE SECRETARY OF THE INTERIOR
THE SECRETARY OF AGRICULTURE
THE SECRETARY OF COMMERCE
THE SECRETARY OF LABOR
THE SECRETARY OF HEALTH, EDUCATION
AND WELFARE
THE SECRETARY OF HOUSING AND URBAN
DEVELOPMENT
THE SECRETARY OF TRANSPORTATION
ASSISTANT TO THE PRESIDENT FOR
FOR NATIONAL SECURITY AFFAIRS
CHAIRMAN, COUNCIL OF ECONOMIC ADVISERS
DIRECTOR, OFFICE OF MANAGEMENT AND
BUDGET

In the first weeks of this Administration, it has been necessary to extend statutory deadlines for reports required by statute from commissions established prior to the commencement of my term in office. It is my policy that deadlines established during this Administration for reports from commissions should be met, and that extensions will normally not be granted.

Jimmy Carter

WASHINGTON LAST DAY: Tues., Feb. 22, 1977

February 17, 1977

*OK, but let my
own Commission know
there will be no
expansions-*

MEMORANDUM FOR

THE PRESIDENT

FROM

STU EIZENSTAT *Stu Eizenstat*

SUBJECT:

Enrolled Resolution S. J. Res. 10
Extending the Final Reporting
Date and Increasing the
Authorization of the American
Indian Policy Review Commission

You must decide by Tuesday, February 22, 1977, whether to sign or veto this Resolution.

The Resolution

S. J. Res. 10 provides the American Indian Policy Review Commission with an additional three months in which to issue its final report to the Congress, and the resolution increases the appropriation authorized for the Commission from \$2.5 million to \$2.6 million.

The American Indian Policy Review Commission was created in late 1974 to undertake a thorough review of Federal Indian policy and report to the Congress by February, 1977. The Commission, composed of three Senators, three Congressmen and five Indians, was directed to recommend legislative and administrative remedies for improved policies and programs which affect Indians.

The resolution before you would extend the due date for their report from February to May, 1977. This would allow the Commission to receive comments on the draft final report from Indian tribes and organizations, Federal agencies and the public.

S. J. Res. 10 would also increase the authorized appropriations by \$100,000. These funds are required to make payments to consultants hired to finalize the draft report. These funds, if appropriated, would be part of the Legislative Branch budget.

The Commission will cease to exist after June 30, 1977.

ARGUMENTS FOR SIGNING

1. This is a Congressional commission and you should not interject yourself into the internal operations of the Congress.
2. The Commission has undertaken the most thorough review of Federal Indian policy in 40 years, and their report should include the comments of Indian tribes and organizations, Federal agencies and the public.
3. Without this extension and the additional funds, the Commission's final report would be incomplete. Indian tribes and organizations would be denied an opportunity to comment on the report which could affect their future and staff who would coordinate these comments would not receive compensation.
4. This legislation is essential to the completion of the Commission's final report.

ARGUMENTS FOR VETO

1. The Commission has been in existence for two years and has heard hours of testimony. Additional time for comments on the draft report is unnecessary.
2. The Commission has published twelve task force reports and has already completed a draft final report; additional time for comments on this report seems unnecessary.
3. The Commission has been appropriated \$2.5 million and an additional \$100,000 is unnecessary since the final report will be issued this month, assuming you veto this legislation.

AGENCY AND STAFF RECOMMENDATIONS

Secretary Andrus, Bert Lance and the senior White House Staff recommend you sign the bill. Frank Moore concurs.

THE WHITE HOUSE
WASHINGTON

March 7, 1977

Greg Schneiders -

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Hugh Carter

Re: Weekly Mail Report

THE WHITE HOUSE
WASHINGTON

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON

- ☐ FOR STAFFING
- ☐ FOR INFORMATION
- ☐ TO PRESIDENT
TODAY

ACTION	FYI	
		ARAGON
		BOURNE
		BRZEZINSKI
		BUTLER
	X	H. CARTER
		CLOUGH
		FALLOWS
		HARDEN
		HOYT
		KRAFT
		B. MITCHELL
		B. RAINWATER
		SCHLESINGER
	X	SCHNEIDERS
		SIEGEL
		T. SMITH
		WELLS
		VOORDE

100-100000-100000

THE WHITE HOUSE

WASHINGTON

March 4, 1977

FOR: The President
FROM: Greg Schneiders *GS*
SUBJECT: The Weekly Mail Report (At your request)

Hugh Carter is responsible for the administration of the mail operation and has expressed a strong desire to respond personally to your request for weekly status reports.

Therefore, I will not be submitting these reports - Hugh will.

OK? _____

✓, but where is it?

J

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THE WHITE HOUSE
WASHINGTON

3/7/77

Rich - -

The original letter
was mailed to Hugh
Carter today.

-- Susan

Senator Hugh Carter
District 14
Plains, Georgia 31780

Dear Hugh:

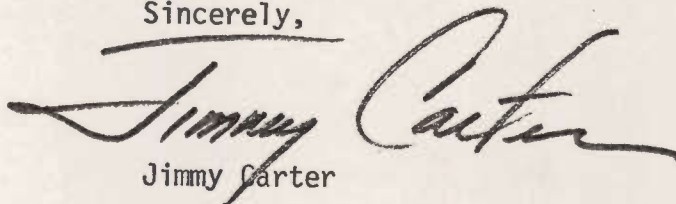
Thank you for the detailed information you sent me in regard to the Sumter County Board of Education Bond Referendum to be held on March 29th.

I am indeed happy that you have publicly endorsed the passage of this bond referendum to construct a consolidated, comprehensive school for Sumter County.

I want you and all the people of Sumter County to know that Rosalynn and I heartily recommend the passage of this bond issue and the construction of the new school.

I hope that all the people of Sumter County will join with you in supporting this much needed project. If I can help in any way, please let me know.

Sincerely,

A handwritten signature in cursive script that reads "Jimmy Carter". The signature is written in dark ink and is positioned above the printed name "Jimmy Carter".

Jimmy Carter



Hugh A. Carter
SENATOR

The State Senate
Atlanta

417 STATE CAPITOL
ATLANTA, GEORGIA 30334
POST OFFICE BOX 97
PLAINS, GEORGIA 31780

March 3, 1977

THE PRESIDENT HAS SEEN.

President Jimmy Carter
Oval Office - West Wing
The White House
Washington, D. C. 20500

Dear Jimmy:

Please note information and suggested letter
enclosed in regard to the Sumter County Bond
Issue.

We need the letter for publication in The Times
Recorder and on possible bond issue supporting
literature which we will be passing out.

The letter is only a suggestion - you can change
this one anyway you wish or compose another one
if this is not suitable.

Please mail this back to me as soon as possible.

Sincerely,

Hugh
Hugh

HC:r1

Enclosures

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*Susan -
Send as is
J*

SUMTER COUNTY

INFORMATION ON PROPOSED BUILDING PROGRAM

A comprehensive study committee visited Sumter County on April 12-14, 1976. This committee recommended the adoption of a 6-6 organizational structure, abandoning Plains High School and Union High School, constructing a new high school, and utilizing the four (4) remaining schools as elementary schools. The recommended organization was as follows:

Northeast Elementary	Grades 1-6
Southeast Elementary	Grades 1-6
Westside Elementary	Grades 1-6
Central Junior High	Grades 1-6
New High School	Grades 7-12

The Sumter County Board of Education has adopted the comprehensive study and is presently planning to call a bond referendum for approximately \$2,200,000 before April 15, 1977. Sumter County's architect has determined that it will take approximately \$2,200,000 to combine with Sumter County's capital outlay entitlement to construct the proposed high school. Sumter County's state entitlement is as follows:

1975-76 Annual Resident ADA of 948 would generate:

\$1,711,996	Regular Consolidation Entitlement
<u>331,800</u>	Vocational Entitlement
\$2,043,796	Total

Sumter County could possibly be eligible for an additional \$165,900 Coastal Plains funds, making a total of \$2,209,696 available. The Office of Vocational and Adult Education always advises local school systems not to anticipate Coastal Plains funding as they prepare for a bond issue, since Coastal Plains funds are always questionable.

If Sumter County's bond issue passes, the State Board of Education will request the funds for FY 79, during the 1978 General Assembly. The above entitlements will be adjusted in making the request basing the amount on the annual ADA for 1976-77.

The number and types of spaces recommended by the comprehensive study committee for the proposed new high school plant are listed below. The spaces indicated have been coordinated with the suggested curriculum as outlined in the comprehensive study. The instructional spaces were listed to serve as a guide for Sumter County in planning and budgeting. As the program is finalized, some adjustments may be required. The Sumter County School System is presently working with the Division of Secondary School Vocational Programs, Office of Adult and Vocational Education, and School Plant Services, Office of Administrative Services, in determining the spaces to be included.

25 General Classrooms

6 Science Labs (4 Lab-Classroom Combinations and 2 Classrooms/w Demonstration Tables)

1 Music Lab

2 Home Economics Labs

1 Industrial Arts Lab

1 Art Lab

1 Media Center

1 Speech and Drama Lab

1 Vocational Agriculture Department

1 Driver Education Lab

1 Physical Education Facility

2 Business Education Labs

3 Trade and Industrial Labs (Types of Labs to be determined by consultation with Voc. Educ., State Department of Education)

1 DCT Lab

THE WHITE HOUSE

WASHINGTON

March 7, 1977

The Vice President
Stu Eizenstat
Ham Jordan
Bob Lipshutz
Frank Moore
Jack Watson
Jody Powell

Re: Cabinet Summaries

The attached reports were returned in the President's outbox. They are forwarded to you for your information.

Rick Hutcheson

Reports Attached:
Energy, Justice(2), Treasury,
Commerce (2)

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

March 4, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

JIM SCHLESINGER

SUBJECT:

Weekly Activities Report

Department of Energy

Staff's major effort has been drafting the DOE organization act and producing the legislation and background documentation to support it:

- ° The legislative package consisted of the bill, section-by-section analysis, fact sheet and major provisions of the legislation;
- ° A briefing was conducted for 70 Members of Congress on Tuesday, March 1st;
- ° Senator Ribicoff has scheduled the first testimony for Monday, March 9th, before the Governmental Affairs Committee. He and Scoop Jackson believe the bill will pass the Senate by the end of March;
- ° Work is continuing for Congressional testimony and explanatory material on management and personnel provisions for the new Department of Energy.

Public Participation in Energy Policy

Issued a broad invitation to the public to submit their comments to be included in the formulation of a comprehensive national energy policy.

- ° This invitation was issued on your behalf to 450,000 individuals which included private citizens, all Members of the United States Congress, State and local officials, academic community, organized labor union officials, representatives of small and large businesses and industries and the news media;

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- ° Replies will be mailed in by the 21st of March and all correspondence will be reviewed, analyzed and evaluated so that the public input will be given consideration in the comprehensive energy policy being developed;
- ° Additional public participation activities are presently being planned for now and after the 20th of April.

Energy Policy

Staff continued preparation of various option papers related to the energy policy for your presentation to the Congress on April 20th.

- ° Preparation of option papers have now progressed to the point of identifying both benefits and costs;
- ° Staff continues working on synfuels policy, shale oil development, utility pricing reform and vertical and horizontal divestiture in the petroleum industry.

Federal Energy Administration

- ° A supplemental list was furnished to the Federal Register allocating an additional 60 MBD of crude oil in the second quarter 1977 under the Canadian Crude Oil Allocation Program. The Canadian government has decided to export to the United States 305 MBD instead of 245 MBD as originally indicated;
- ° The third Early Storage Reserve site has been selected and \$13 million for its purchase has been transferred to the Corps of Engineers. The West Hackberry salt dome in southwestern Louisiana has existing storage capacity of 60 MMB with expansion potential of up to 225 MMB;
- ° Developed an "Outline for Examination of Potential Summer Electricity Shortages in the Northwestern United States;"

- ° Meeting held with representatives of the Federal Power Commission and reached accord on respective areas of responsibility for a joint study of the problem of potential summer electricity shortages in the Northwestern United States;
- ° Met with National Governors' Conference to select eight States for the Conference to conduct in-depth energy facility siting study;
- ° Pursuant to the Emergency Natural Gas Act, met with major refiners that use substantial quantities of natural gas as refinery fuel to urge them to switch in part to alternate fuels in order to make more gas available to the interstate pipeline system;
- ° Richard Dunham, Chairman of the Federal Power Commission and Administrator of the Emergency Natural Gas Act, has directed all interstate pipelines that have had substantial storage drawdowns during the winter to develop recovery plans by March 15th.



Office of the Attorney General

Washington, D. C. 20530

March 5, 1977

Re: Principal activities of the Department
of Justice for the week of February 28
through March 5

1. Division of responsibilities between the Deputy
Attorney General and the Associate Attorney General

The Attorney General signed an order formally establishing the Office of the Associate Attorney General, dividing the responsibilities between the Associate Attorney General and the Deputy Attorney General. Most criminal law matters and investigative matters will be the responsibility of the Deputy Attorney General, and most civil matters and matters relating to the Department will be the responsibility of the Associate Attorney General.

2. Treaty with Canada

On Wednesday, March 2 the Attorney General and the Solicitor general of Canada executed a treaty on behalf of their prospective countries providing for the exchange of prisoners under the statutes set forth in the treaty.

3. Illegal Aliens

Representatives of the Department of Justice met with people from Labor and State to begin an interdepartmental effort to address the problems associated with the millions of illegal aliens in this country.

4. Refugees

I&NS Commissioner Chapman testified before Chairman Eilberg's subcommittee on legislation to change policies concerning refugees seeking to enter this country. General Chapman presented the Justice Department's position.

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5. Confirmations

Confirmation hearings were held for several high positions in the Department. Designees for Solicitor General, Assistant Attorneys General for Civil, Civil Rights, Criminal and Office of Legislative Affairs were all approved by the Senate Judiciary Committee.

6. Reorganization Authority Legislation

The Office of Legal Counsel testified before the House Government Operations Committee on the question of the constitutionality of the one-house veto provision of the reorganization legislation.

7. Litigation Concerning the Marine Mammal Protection Act

On March 3, 1977 the Attorney General asked the Court of Appeals for the District of Columbia for emergency relief from the Court's order which had had a significant adverse impact upon the tuna fishing industry. The Court will be voting shortly on this request to establish a balance between protection of porpoises and the economic plight of the tuna industry as a result of the Court's order.

8. University of Virginia Speech

The Attorney General delivered an address, "The Delivery of Justice 1977-1978," to the annual banquet of the University of Virginia Law Review in Charlottesville, Saturday, February 26.

9. Meetings

Continuing his attempt to receive the concerns and priorities of various groups and individuals concerning the Department of Justice, the Attorney General met this week with the following: the Congressional Black Caucus; representatives of the American Judicature Society; representatives of the National Conference of State Legislatures; the Crime Prevention Committee of the National Governors Conference; Ralph Nader, Mark Green, Allen Morrison of the Public Interest Group; and representatives of the Federal Bar Association.

THE PRESIDENT HAS SAEN.



Office of the Attorney General

Washington, D. C. 20530

February 18, 1977

MEMORANDUM TO: Jack Watson
Secretary to the Cabinet
The White House

FROM : J. Michael Kelly *J.M. Kelly*
Special Assistant to the Attorney General

In the President's comments on the Department of Justice report for the week of February 9 through 11, he requested a brief summary of the Criminal Division's report on white collar crime. Attached is the news release from the Department of Justice which summarizes the report. If you need any more information, let me know.

Attachment

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Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, FEBRUARY 10, 1977

CRM

Federal prosecutions of those involved in public corruption offenses reached a new high during the year ended December 31, 1976, according to a report issued today by Assistant Attorney General Richard L. Thornburgh, head of the Department of Justice's Criminal Division.

The report, compiled by the Division's Public Integrity Section, showed that 337 defendants were indicted by federal grand juries on corruption charges last year. This effort culminated an almost unbroken rise over the past eight years in the number of federal indictments returned against federal, state and local officeholders and others involved in their corrupt activities:

<u>Year</u>	<u>Number of Indictments</u>
1970	63
1971	160
1972	208
1973	244
1974	291
1975	255
1976	337
Total	1,598

"Of even more significance is the fact that the vast majority of these charges have resulted in convictions," Mr. Thornburgh noted. "Of the 1,598 defendants indicted during this period, 1,081 of the 1,379 that have come to trial thus far have been convicted -- a conviction rate of over 75%." (The other defendants are awaiting trial.)

MORE

Mr. Thornburgh noted that the Criminal Division's Public Integrity Section has taken an increasing role in the prosecution of corruption offenses since its creation in March, 1976, as part of a reorganization of the Criminal Division.

#

#

#

THIS DOCUMENT HAS BEEN



THE SECRETARY OF THE TREASURY

WASHINGTON 20220

MAR 4 1977

MEMORANDUM TO THE PRESIDENT

SUBJECT: Highlights of Treasury Activities

I testified on Wednesday in support of our proposed contribution to the fifth replenishment of the International Development Association, the soft-loan window of the World Bank (IDA V) -- \$800 million for each of the next three fiscal years. IDA is the centerpiece of our international lending policy -- and our proposals, which Ford also made, represent a sharp increase in the U.S. contribution. The final negotiating session to agree on the IDA V package, including the proposed U.S. share of 31 percent, is scheduled for March 14-16.

The Senate Appropriations Committee, while sympathetic to multilateral aid in general, raised major questions about the sharp increase in our proposed contribution. I believe it will be necessary for you to make a personal effort to persuade the Congress to support our proposal, and strongly recommend that you approve the proposal to meet with key Congressmen next Monday and issue the strong statement on the subject which Cy and I proposed last week. We need to move quickly, as we must obtain as much Congressional agreement as possible next week prior to the negotiating session.

During my testimony, I was asked how we intend to pursue our human rights objectives in the international financial institutions. I responded by noting that these institutions are largely apolitical, in fact as well as in principle, and that it will be extremely difficult -- and extremely costly to our other objectives -- to inject such considerations into loan decisions (beyond the legislative requirements that already exist for the Inter-American Development Bank).

In addition, as U.S. Governor of the development banks, I must shortly instruct our Executive Directors how to vote on loans to several countries where human rights are being violated (such as Argentina). It is therefore urgent that we reach agreement on an overall policy on human rights, with specific application to the international financial institutions which will be consistent with our several objectives there.

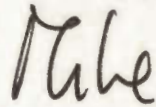
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The New York City banks are submitting their proposal today on how the city should deal with its current dilemma. On Saturday officials of the city, the Governor's office, and MAC will be trying to reach agreement on a feasible course of action. They will attempt to get the support of the unions so that as a group they can respond to the banks on Monday or Tuesday. Their current timetable calls for a resolution in time for the loan request to be processed next Thursday. If they are unable to arrive at a joint city-state-MAC-union-bank agreement they will endeavor to exclude the banks in trying to structure an arrangement to pay off the moratorium notes.

Our antirecession/countercyclical legislative proposal is is serious trouble in Jack Brooks' Government Operations Committee, which therefore makes it difficult to obtain the necessary appropriations. Although Brooks introduced our bill, there is some question about his support of the formula.

Our increased emphasis on the Administration's concern with inflation, culminating in my New York speech on Thursday, appears to have been generally well received. This effort will be continued.

The number of open Presidential appointee tax checks remained low this past week. Every check that was unresolved on February 23 has been completed and the number of open requests has been reduced by nearly 50 percent since then.



W. Michael Blumenthal

THE WHITE HOUSE
WASHINGTON

Cabinet

Report

not submitted

Date: March 3, 1977

MEMORANDUM FOR: SECRETARY BLUMENTHAL

THRU: Under Secretary Designate Solomon *MS*

From: Assistant Secretary Designate Bergsten *JB*

Subject: Weekly White House Report

Attached are two items which I strongly recommend for inclusion in the weekly report. Both stem from your testimony this week and related questions.

RECOMMENDATION: That you include these items in the weekly report.

	Initiator	Reviewer	Reviewer	Reviewer	Reviewer	Ex. Sec.
Surname						
Initials / Date	/	/	/	/	/	/

White House Report

U.S. Contribution to IDA V

I testified on Wednesday in support of our proposed contribution to the fifth replenishment of the International Development Association, the soft-loan window of the World Bank (IDA V) -- \$800 million for each of the next three fiscal years. As you know, IDA is the centerpiece of our international lending policy -- and our proposals, which Ford also made, represent a sharp increase in the U.S. contribution. The final negotiating session to agree on the IDA V package, including the proposed U.S. share of 31 percent, is scheduled for March 14-16.

The Senate Appropriations Committee, while sympathetic to multilateral aid in general, raised major questions about the sharp increase in our proposed contribution. I believe it will be necessary for you to make a personal effort to persuade the Congress to support our proposal, and strongly recommend that you approve the proposal to meet with key Congressmen next Monday and issue the strong statement on the subject which Cy and I proposed last week. We need to move quickly, as we must obtain as much Congressional agreement as possible next week prior to the negotiating session.

Human Rights

During my testimony, I was asked how we intend to pursue our human rights objectives in the international financial institutions. I responded by noting that these institutions are largely apolitical, in fact as well as in principle, and that it will be extremely difficult -- and extremely costly to our other objectives -- to inject such considerations into loan decisions (beyond the legislative requirements that already exist for the Inter-American Development Bank).

In addition, as U.S. Governor of the development banks, I must shortly instruct our Executive Directors how to vote on loans to several countries where human rights are being violated (such as Argentina). It is therefore urgent that we reach agreement on an overall policy on human rights, with specific application to the international financial institutions which will be consistent with our several objectives there.

Staff Salaries in the World Bank and International Monetary Fund

We are attempting to negotiate, with the heads of these institutions and other members, an agreement on moderate increases in staff salaries, countering the demands of the staffs for major increases in their already high salaries. The Congress has been highly critical of the institutions (particularly the World Bank) because of their high salaries, and it important that we keep up the pressure for moderation in order to help sustain Congressional support.

March 4, 1977

MEMORANDUM FOR: Joseph A. Mitchell
Deputy to the Assistant to the
President,
Congressional Liaison

FROM: Gene E. Godley
Assistant to the Secretary

SUBJECT: Weekly Congressional Activity Report
from Treasury

1) Third Concurrent Budget Resolution

Both Houses approved the Conference Report on the Third Concurrent Budget Resolution. The revision in budget ceilings is sufficient to accommodate the President's economic stimulus package.

2) Economic Stimulus Package

a) Countercyclical Revenue Sharing

Secretary Blumenthal testified before Representative Fountain's House Government Operations Subcommittee on Intergovernmental Relations and Human Resources with respect to Administration's bill on countercyclical revenue sharing.

We have problems here. The subcommittee may not report out the Administration's bill, therefore not providing the authorization necessary for the \$925 million appropriation the Administration requested. Since there is no indication that this subcommittee will support our FY 1977 request (incorporating the formula change), the House Appropriations Subcommittee before which we testified last week seems to be prepared to report out next Tuesday only \$250 million to continue the program at the present level only through FY 1977.

Therefore, we will have to work through the Speaker and Congressman Boland to get the full appropriation of \$925 million and seek a waiver of the rules since there will not be an authorization.

Senate strategy has not been determined.

b) Revenue/Tax Portions

House floor consideration of the Ways and Means Committee Report on the revenue/tax portions of the stimulus package has been postponed until next Tuesday. The bill will be considered under a closed rule, allowing only an up or down vote on the Committee amendments and a recommittal motion. There should be no problem with passage, although the Republicans will probably move to recommit with instructions to include a permanent, across-the-board tax cut.

The Senate Finance Committee will hold hearings on Tuesday on the economic stimulus tax package. Secretary Blumenthal will testify.

3) International Financial Institutions

A move will be made to restore the 40% cuts made by Congressman Long's Appropriations Subcommittee on Foreign Operations.

Secretary Blumenthal testified before Senator Inouye's Appropriations Subcommittee on Wednesday and questioning revealed sympathy with our objectives, but some problems with the high levels requested.

Secretary Blumenthal will testify before Senator Humphrey's authorizing subcommittee next Wednesday.

4) Financial Reform

The Senate Banking Committee reported S.756 to the floor on March 1, and the full Senate approved it by voice vote. S.756, as amended and passed, provides simply for a seven-month extension of Reg. Q.

The House passed H.R. 3365 the same day. This bill provides essentially for a one-year extension of Reg. Q, a grant to federally chartered S & L's in New York of the same checking account authority that state S & L's presently have, a reinstatement for-six months of Treasury authority to borrow from Federal Reserve banks, and expanded credit union powers.

A Conference will meet probably next Tuesday to reconcile differences.

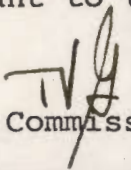
5) Comptroller/Legislation to Allow GAO Audit of the Federal Bank Regulatory Agencies

Acting Comptroller of the Currency Bloom testified on March 3, before the House Government Operations Subcommittee on Commerce, Consumer and Monetary Affairs with respect to H.R. 2176, a bill to allow GAO audits of the federal bank regulatory agencies. Essentially, the Comptroller and the FDIC representative conditionally approved the legislation. The Fed representative opposed it. The Subcommittee is likely to report the bill in 10 days.

Internal Revenue Service
memorandum

date: MAR - 3 1977

to: Mr. John Hunnicutt
Executive Assistant to the Deputy Secretary

from: Thomas V. Glynn 
Assistant to the Commissioner

subject: White House Report

Attached is this week's White House Report.

Attachment

cc: Commissioner
Deputy Commissioner

TAX CHECKS ON PROSPECTIVE PRESIDENTIAL APPOINTEES

The inventory of open Presidential appointee tax checks remained low this week. Every tax check that was in open inventory on close of business February 23, 1977, has been completed. The number of open requests as of close of business March 2, 1977, was 44 percent less than the inventory at close of business February 23, 1977.

Internal Revenue Service
memorandum

date: March 3, 1977

to: Thomas V. Glynn

from:

Wayne K. Johnson

WKT

subject: White House Report

Week ending March 4, 1977

Rev. Rul. 77-64 extending the effective date of Rev. Rul. 76-242 to January 1, 1978, was announced February 25, 1977.

Rev. Rul. 76-242 provides that taxpayers using an accrual method and operating farms, nurseries or florist shops must establish and maintain inventories reflecting the costs of their growing crops, trees and plants.

At its publication Rev. Rul. 76-242 was made effective July 1, 1976. Subsequently section 447 of the Internal Revenue Code was enacted. That section will require many corporations to adopt an accrual method of accounting for tax purposes. Section 447(g), however, will also permit certain corporations that have utilized an accrual method of accounting without inventories for more than 10 years to continue to use that method notwithstanding the provisions of Rev. Rul. 76-242.

Week ending March 10, 1977

The Service has under consideration proposed revenue rulings dealing with three significant tax shelter issues, namely

- (1) Partnerships engaged in the production of motion pictures for major studios and claiming current tax deductions for all costs incurred.
- (2) Partnerships purchasing a completed motion picture film and claiming investment credits and depreciation deductions on the film.
- (3) Partnerships making retroactive allocations of tax losses to partners admitted late in the partnership year.

Thomas V. Glynn

Each of these issues is dealt with prospectively in the Tax Reform Act of 1976. The proposed revenue ruling would set forth the position of the Service with respect to cases not covered by the Tax Reform Act.

Because of the necessity for prompt guidance to field offices it is anticipated that these proposed revenue rulings will be released by way of news releases after review has been completed.

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. John Hunnicutt
Executive Assistant

DATE: March 3, 1977

FROM : Jesse Adams, Acting National Director
U. S. Savings Bonds Division

Ja

SUBJECT: White House Report - Week of February 28

The Savings Bonds Division has nothing significant for you to include in your report to the White House.



5010-110

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

Date: MAR 4 1977

MEMORANDUM FOR: DEPUTY SECRETARY AXELSON

From: Bette B. Anderson

Subject: White House Report

Please find attached highlights from the weekly reports of the following EOTA offices and bureaus:

A. Offices

1. Office of Law Enforcement
2. Office of Operations (nothing significant to report)
3. Office of Tariff Affairs
4. Office of Foreign Assets Control (nothing significant to report)

B. Bureaus

1. Bureau of Alcohol, Tobacco & Firearms (nothing significant to report)
2. United States Customs Service (nothing significant to report)
3. Bureau of Engraving & Printing (nothing significant to report)
4. Federal Law Enforcement Training Center (nothing significant to report)
5. Bureau of the Mint (nothing significant to report)
6. U.S. Secret Service (nothing significant to report)

Attachment

	Initiator	Reviewer	Reviewer	Reviewer	Reviewer	Ex. Sec.
Surname	WILLIAMS/ MANGELS	HAUSMAN	SUCHMAN	FEATHERSTONE	HARPER	
Initials / Date	F.W. / 3-4-77	WTH / 3-4	POS / 3/4		JL / 3/5	

White House Report

submitted by

Office of Enforcement, Operations and Tariff Affairs

Recent Significant Events

Office of Law Enforcement

- ** The Office of Law Enforcement started analyzing a report entitled "Firearm Abuse," issued by the Police Foundation on February 28, 1977. According to a news release issued with it, the report criticizes the present laws relating to firearms, and the administration of them by the Bureau of Alcohol, Tobacco and Firearms. The report recommends changes in both. A preliminary review indicates that the recommendations, and at least some of the criticisms, raise questions which, although not new, are of a type which will have to be considered in developing the Administration's policy on firearms legislation.

Future Significant Events

Office of Tariff Affairs

- ** Countervailing Duty -- Cotton yarn from Brazil -- Treasury will be announcing shortly a final determination with respect to cotton yarn from Brazil. The determination will show that subsidization is occurring and a countervailing duty order will be issued against imports of this product.
- ** Antidumping -- Treasury will be issuing an Antidumping Proceeding Notice with respect to impression fabric of man-made fiber from Japan. The value of imports of the subject merchandise from Japan during the period January - November 1976 was \$3.6 million.

UNITED STATES GOVERNMENT

Memorandum

Department of the Treasury
Washington, D.C. 20220

TO : John Hunnicutt

DATE: March 4, 1977

FROM : Bradford L. Ferguson, Special Assistant **BLF**
to the Assistant Secretary (Tax Policy)

SUBJECT: White House Report

Included among the activities of the Office of Tax Policy for the week beginning February 28, were two appearances before congressional committees. On March 1, Dr. Woodworth appeared with Assistant Secretary Brecht to provide testimony before the Senate Appropriations Subcommittee on Treasury, Postal Service and General Government. This office also prepared the testimony to be given by Secretary Blumenthal before the House Budget Committee on March 4.



5010-108

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan



Date: March 4, 1977

MEMORANDUM FOR: DEPUTY SECRETARY-DESIGNATE AXELSON

From: William J. Beckham, Jr. *WJB*

Subject: White House Report

The following significant items were reported by the Administration office directors for the week ending March 3:

Exchange Stabilization Fund: Discussed with GAO supervisor comments attributed to him in recent Washington Post article on Exchange Stabilization Fund. He explained that remarks about GAO having limited access to ESF referred to fact they do not have authority to audit operational activities. He also explained statement attributed to him that GAO had no way of determining whether payrolls were padded was incorrect as there is no question that GAO can make this determination.

Annual Report on Freedom of Information Act: On March 1, Treasury submitted its Third Annual Freedom of Information Act Report to Congress. During calendar year 1976, Treasury bureaus and offices received a total of 15,079 requests for release of information under the Act. 2,090 were initially denied in whole or in part. 389 of these were appealed to higher authorities. 185 of those denied were fully sustained on appeal. 60 final denials were appealed to the courts.

The calendar year 1976 cost for administering the Act in Treasury was approximately \$4.5 million. \$88,668 was recovered through authorized fees for records searching and duplicating services in providing the requested information.

	Initiator	Reviewer	Reviewer	Reviewer	Reviewer	Ex. Sec.
Surname						
Initials / Date	/	/	/	/	/	/

Date: 3/4/77

MEMORANDUM FOR: DEPUTY SECRETARY AXELSON

From: Joe Laitin

Subject: White House Report

The luncheon of the "Committee of Eight" in New York on Thursday, March 3, received prominent attention in the news media -- the Washington Star carried an eight column banner head at the top of page 1: U.S. Pledged to Business; A Sound Economy. Newspapers around the country gave it a prominent play and it appeared on the evening news shows in New York.

	Initiator	Reviewer	Reviewer	Reviewer	Reviewer	Ex. Sec.
Surname						
Initials / Date	/	/	/	/	/	/



MEMORANDUM

Comptroller of the Currency
Administrator of National Banks

Washington, D. C. 20219

To: John Hunnicutt, Executive Assistant
Office of the Deputy Secretary of the Treasury

From: Alan Herlands, Executive Assistant
Office of the Comptroller of the Currency *A. Herlands*

Date: March 4, 1977

Subject: White House Report

The information herein is submitted for the Office of the Comptroller of the Currency pursuant to Deputy Secretary-Designate Axelson's memorandum of February 8, 1977 concerning events which may be appropriate for the information of the White House.

Please let us know, as this reporting program matures, if you prefer more expansive or more limited reports.

A. Recent Past Events

1. Testimony. Acting Comptroller of the Currency Robert Bloom testified before the Subcommittee on Family Farms and Rural Development of the House Committee on Agriculture on February 24. The Subcommittee was concerned with a farm land investment pool considered by the trust department of the Continental Illinois National Bank and Trust Company of Chicago, Illinois. The Secretary of Agriculture also appeared before the Subcommittee.

2. Testimony. Mr. Bloom testified before the Subcommittee on Commerce, Consumer and Monetary Affairs of the House Committee on Government Operations on March 3. The Subcommittee is considering legislation to subject this Office to periodic GAO audits.

3. Meetings with Private Sector. Mr. Bloom and agency executives held meetings with representatives of bankers associations from South Carolina, New Jersey, Rhode Island and Delaware.

4. Electronic Fund Transfers Report. The National Commission on Electronic Fund Transfers issued its interim report on March 2 encouraging Federal legislation to permit the orderly development of electronic fund transfers systems while preserving consumer interests and privacy. Associate Deputy Comptroller of the Currency Thomas W. Taylor is a member of the National Commission as the Comptroller's representative.

B. Events Expected Next Week

1. Testimony. Mr. Bloom will testify before the Senate Committee on Banking, Housing and Urban Affairs on March 11. This oversight hearing will cover the health of the national banking system, improvements recently implemented to improve bank supervision, and banks in seriously weakened condition.

2. Interagency Meeting. Mr. Bloom will attend an Interagency Coordinating Committee meeting (non-public) on March 9. Although the formal agenda has not been finalized, consideration is expected to be given to establishing new interest rate ceilings for Keogh Plans and Individual Retirement Accounts.

3. Advisory Committees. Mr. Bloom anticipates announcing the termination of fourteen Regional Advisory Committees, retaining only the National Advisory Committee.

4. Meetings with Private Sector. Mr. Bloom and agency executives will hold meetings with representatives of bankers associations from California, Louisiana and Maine.



UNITED STATES DEPARTMENT OF COMMERCE
Office of the Secretary
Washington, D.C. 20230

THE PRESIDENT HAS SEEN.

March 2, 1977

C
/

Dear Mr. President:

One of the principal goals identified for your Administration, that of developing a comprehensive strategy for revitalizing our declining central cities, will be stressed at the meeting of the National League of Cities this weekend. As you have stated, this revitalization strategy should focus on attracting permanent, private sector jobs to the central cities.

Recognizing that several departments will be cooperating in this endeavor, I would expect the Economic Development Administration (EDA) to play the major development role. EDA has important experience with many of the tools -- land assembly, site preparation, public works improvements, business loans and economic planning -- that are needed to attract long-term, private sector employment opportunities to the central cities. The Agency has exclusive experience with the only long-standing economic development planning process in the Federal Government. This process provides EDA with an existing and rational framework to guide its economic development activities. Moreover, EDA and the Commerce Department possess a unique capacity to work with private sector employers and business. Through our experiences with the business loan, technical assistance and industrial development programs, EDA has developed a unique ability to utilize public sector funds to leverage private sector investment commitments.

Congress recently has extended and expanded EDA's urban development programs by amending EDA's authorizing legislation. The new amendments are designed to encourage EDA to utilize its programs to attract private sector employment opportunities to declining central cities. These amendments will make EDA assistance available to most major urban centers and provide flexible new tools for attracting private sector employers to the central cities.

I am strongly committed to implementing these new authorities. I am deeply concerned, however, that a lack of financial resources may prevent EDA from realizing its full potential in urban areas. Indeed, EDA can not meet its expanded obligations with a budget that is smaller than last year's, smaller than HUD's yet to be implemented discretionary program, and less than one-third of

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SUPPLEMENTARY PAGE NUMBER

THE WHITE HOUSE
WASHINGTON

Q
1

ARRIVAL CEREMONY

FOR HIS EXCELLENCY YITZHAK RABIN, PRIME MINISTER
OF ISRAEL AND MRS. RABIN

Monday - March 7, 1977

10:30 A.M.
on schedule

From: Tim Kraft

SEQUENCE

10:15 a.m. Members of Official Parties arrive Southwest Gate and are shown to assigned places on South Lawn.

10:27 a.m. You depart Oval Office en route Diplomatic Reception Room where you join Mrs. Carter.

10:30 a.m. You and Mrs. Carter move to Diplomatic entrance.

Prime Minister and Mrs. Rabin's motorcade arrives Southwest Gate, continuing along southern part of drive, arriving at entrance from east.

You and Mrs. Carter greet Prime Minister and Mrs. Rabin and move to beginning of red carpet at lawn edge. Pause.

PRESS PHOTO OPPORTUNITY

You and Prime Minister Rabin and Mrs. Carter and Mrs. Rabin move down carpet onto platform (toe markers) facing south, for honors.

Four Ruffles and Flourishes
Israeli National Anthem
U.S. National Anthem
19-gun Salute

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2.

You and Prime Minister Rabin and Mrs. Carter and Mrs. Rabin move to west side of platform (left) and take new positions (toe markers).

PRESIDENTIAL REMARKS.

Remarks by Prime Minister Rabin.

PRESS PHOTO OPPORTUNITY

You and Prime Minister Rabin and Mrs. Carter and Mrs. Rabin move to left and descend platform. You escort Prime Minister Rabin and Mrs. Carter escorts Mrs. Rabin into the Diplomatic Reception Room and take up positions for receiving line.

Official parties proceed into Diplomatic Reception for receiving line and coffee.

11:00 a.m.

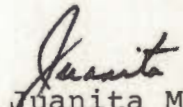
You and Prime Minister Rabin depart for the Cabinet Room.

Mrs. Carter escorts Mrs. Rabin to the Diplomatic entrance for departure to Blair House.

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EDA's authorization. Many Congressmen and Mayors share my concern that EDA's FY 1978 budget may signal a reduction in the Administration's commitment to urban economic development. Despite partial restoration of the budget cuts made by the Ford administration, total funding for the program is down substantially from last year.

When I speak to the National League of Cities on Sunday, March 6, I shall share with the Mayors my hopes for using EDA to leverage private sector investments in our urban areas, and stress the Administration's commitment to using the Agency's programs to strengthen the economic bases of our major urban centers. I hope we can move ahead to implement EDA's expanded role in the coming months.


Juanita M. Kreps

The President
The White House
Washington, D.C.
20500